fall of Imperial Threes from about 89 in 1905 to $75\frac{1}{2}$ in 1913; and it might be added that by the middle of 1915 their price was $48\frac{1}{8}$.

The author seems to imply that there is one political economy of peace and another of war. "None of the economic theories that have been fashioned for the industries of peace really fits" (p. 94). This disclosed a curious idea of economic laws. It is brought out in saying that a hungry man wants food for himself, not because Brown or Jones wants it; but that one government wants armaments because another government has ordered them, i.e., supply increases demand (p. 96). Also, in discussing the effect of the war on credit (Part III, chap. i) the author seems to believe that a final blow was given to world-credit when Great Britain declared war; that in August, 1914, the machinery was shattered, and its fabric "faded into nothingness" (p. 281); that the exchanges became unworkable. And yet he later explains how credit necessarily resumed its usual tasks. An earlier editor of the *Economist*, Walter Bagehot, would have better seen the principles at work, and not confused principles with the conditions under which they worked and which vary in peace or war.

The author is incorrect in thinking that special legislation converted cotton warehouse receipts into a basis for currency and saved thousands of American planters from ruin (p. 291); in saying that the New York Stock Exchange closed the morning after that of London (p. 292); that belligerent tonnage was purchased and placed under the American flag (p. 294).

After the war the author sees difficulty in finding even low wages for disbanding armies. "Credit will be scarce and dear, liquidation difficult, competition severe" (p. 313). But we do not yet know all the facts as they will be at the end of the war, and prophecy is dangerous.

L.

Second Thoughts of an Economist. By WILLIAM SMART. New York: Macmillan, 1916. 8vo, pp. lxxix+189. $1.40.

In this little book, which marks the close of his most active and productive career, Professor Smart has undertaken a review of the salient facts of economic life as they appear when seen by the light of a warm enthusiasm for worthwhile living against the background of his more formal economics. He has returned to certain Ruskinian questionings and disparagings of industrialism and treats of these things with a freedom which he apparently felt one cannot exercise when one is preoccupied with being an economist.

When the disciple of Ruskin first turned apostate and became that horrible thing, an economist, he found the science not as bad as it was painted. It was . . . . "a science whose main object was, not defence of any particular system, but explanation of how men, consciously and unconsciously, work into one another's hands, and get and give each his daily bread." This sounds, to be sure, suspiciously like saying: "We do not defend the system, but we study mainly the good in it: the elements of mutual aid which it embodies." Now, however, he has turned his main attention elsewhere, noting the failure of modern industry to furnish the sorts and conditions of work that make a truly human life possible for workers, and asking not what are the results of unqualified self-interest in business, but rather what results a spirit of humanity and service on the part of consumers and employers can accomplish in a business world. The book is, in fact, his philosophy of economic responsibility.

First comes the consumer. "If there is consumption which calls in circles to consume with the spender; if there is consumption which does not wear out, but leaves a balance for others to wear; if there is consumption which re-creates as much wealth as it destroys . . . . a man may, without any unreasonable sacrifice, add indefinitely to the well-being which is the ultimate object of wealth. And most men who once see this will act upon it." "When others are in want of so many things, waste is—frankly—immoral."

But it is the employer on whom the chief demands are made. To a man of Smart's temper, the service of earning a living is not inferior to spending and consumption as an outlet for those capacities whose fullest exercise is the fullest living. The employer controls this part of his employees' lives for good or ill, and he must regard this phase of his work as a great public service. He must make his establishment serve the lives of his clientèle of laborers not less than the desires of his larger, but less vitally interested, clientèle of customers, "and why not?"

In such a program the care for continuity of employment is one of the most vital needs. Next, perhaps, is the need of putting the machine in its proper place as servant of the worker rather than as his master or his ruthless and unconquerable competitor. Men must not compete with machines at the machines' own kind of work, but must achieve a superior position. Profit sharing is another type of endeavor which Smart regards with refreshing optimism.

The reviewer finds his liveliest interest perversely attracted to the question of the relation of all this to economics as a science. Austrian

economics in particular, with its "best combination of factors," surely offers no hint of that wide range of discretion within which welfare work is not so positively profitable that the employer's self-interest can be trusted to bring it about, nor yet positively unprofitable. The intersections of curves in the traditional diagrams possess none of this indecisive quality. Still more interesting, however, is the author's own admission that he has gone beyond his beat. If that be true of the most vital relations of industry to life, is it not possible that the beat has been wrongly surveyed? The reviewer has never seen a satisfactory delimitation of its boundaries, and Smart's conception of them has evidently been felt by him as a restraint on his thought. But should not pigeonholes be cut to take thought as it is, not thought trimmed to fit inherited pigeonholes?

Precisely because of this breadth of view, the book seems admirably adapted to introduce the subject of economics to beginners. Economic doctrines appear here vividly as very real things. Advanced readers will find its tone genially lucid rather than keenly penetrating, and humanitarian rather than iconoclastic. But, after all, it was the majority report of the Poor Law Commission, not the minority report, to which Smart's energies were devoted. Not the least-welcome feature of the book is the biographical sketch with which it is introduced, in which Mr. Thomas Jones gives a most winning picture of Smart's personal qualities and a most appreciative estimate of the worth of his indefatigable labors. Evidently, if we were all of his temperament, we should not have long to wait for the fulfilment of his economic ideals.

J. MAURICE CLARK

UNIVERSITY OF CHICAGO

The Economics of Retailing. By PAUL H. NYSTROM. New York: Ronald Press Co., 1915. 8vo, pp. xi+407. $2.00.

So recently has any effort been made to reduce to stated laws the facts of retailing; so fragmentary, indeed, is the written material dealing with the economic theory involved in merchandising, that a well-considered attempt to correlate the diverse tendencies observable in the distribution field, and to weight the many opposing factors one against the other, cannot fail to be of value to economists. And the business world as well should find therein many profitable hints.

While, therefore, Dr. Nystrom does not claim that he has presented in this volume any formulated system of economic theory covering merchandising activities, his results are well worth attention. He presents facts concerning